

**DICKSON COUNTY MUNICIPAL  
AIRPORT AUTHORITY**

Financial Statements

For the Years Ended June 30, 2009 and 2008

(With Independents Auditors' Report Thereon)

# DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY

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# **DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY**

## Directory of Board Members

<u>Member</u>	<u>Appointed By</u>
Jim Simmons, Chairman	City
Booty Reed	County
Beth Fiala	County
Craig Fuson	County
Bird Armstrong	City

# YEARY, HOWELL & ASSOCIATES

*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

Board Members of the  
Dickson County Municipal Airport Authority

We have audited the accompanying financial statements of the Dickson County Municipal Airport Authority as of and for the years ended June 30, 2009 and 2008 as listed in the table of contents. These financial statements are the responsibility of Dickson County Municipal Airport Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

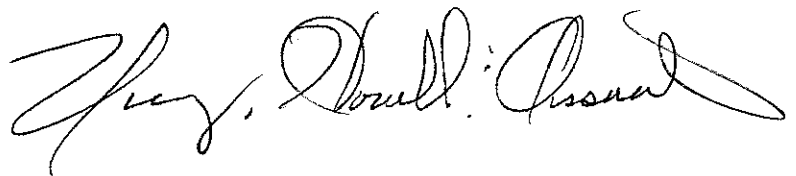
Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dickson County Municipal Airport Authority as of June 30, 2009 and 2008, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2009 on our consideration of Dickson County Municipal Airport Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The management's discussion and analysis on pages 2 through 6 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were performed for the purpose of forming an opinion on the financial statements of the Dickson County Municipal Airport Authority. The Supplemental Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Supplemental Schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is stated fairly, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Greg. Howell: Assaud", written in a cursive style.

October 2, 2009

**DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY**  
**Management Discussion & Analysis**

**Financial Highlights**

Key Highlights for the year ended June 30, 2009 are as follows,:

The authority's net assets increased by \$267,180 as compared to \$139,663 in 2008

At the end of the current year the authority reported total net assets of \$6,971,675 comprised of amounts invested in capital assets of \$6,762,995 and unrestricted net assets of \$208,681.

At the end of the current year, the authority reported current assets in excess of current liabilities of \$119,623 as compared to \$72,199 in 2008.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The notes to the financial statements also contain more detail on some of the information presented in the financial statements. The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The statement of Net Assets presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Assets present information showing how the Authority's net assets have changed during the fiscal year. All change in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The final required statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payment during the year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations and capital financing activities.

The financial statements can be found on pages 7-9 of this report.

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided within the financial statements. The notes to the financial statements can be found on pages 10-13 of this report.

**DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY**  
**Management Discussion & Analysis**

**Financial Analysis**

For the year ended June 30, 2009, assets exceeded liabilities by \$6,971,675. The Airport Authority is a capital intensive enterprise, with 97% of the net assets invested in capital assets. The following is a summary of the Airport Authority's net assets

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
<b>Assets</b>			
Current Assets	\$ 210,261	\$ 297,066	\$ (86,805)
Capital Assets	6,851,587	6,631,831	219,756
Other Assets	465	465	-
Total Assets	<u>7,062,313</u>	<u>6,929,362</u>	<u>132,951</u>
<b>Liabilities</b>			
Current Liabilities	<u>90,638</u>	<u>224,867</u>	<u>(134,229)</u>
<b>Net Assets</b>			
Invested In capital assets	6,762,995	6,415,145	347,850
Unrestricted	<u>208,680</u>	<u>289,350</u>	<u>(80,670)</u>
Total Net Assets	<u>\$ 6,971,675</u>	<u>\$ 6,704,495</u>	<u>\$ 267,180</u>

The Authority's net assets increased by \$267,180 in 2009. The following is a summary Statement of Revenues, Expenses and Changes in Net Assets.

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
Operating revenues	\$ 108,924	\$ 93,173	\$ 15,751
Operating expenses	<u>341,325</u>	<u>323,073</u>	<u>18,252</u>
Operating loss	(232,401)	(229,900)	(2,501)
Non operating revenue	78,000	81,132	(3,132)
Capital Contributions	<u>421,581</u>	<u>288,431</u>	<u>133,150</u>
Change in net assets	<u>\$ 267,180</u>	<u>\$ 139,663</u>	<u>\$ 127,517</u>

**DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY**  
**Management Discussion & Analysis**

**Revenues**

The major changes in Airport Authority continuing revenue of the year ended June 30, 2009 was an increase in hanger revenue of \$15,787 or 22%, intergovernmental revenue decreased approximately 5%. Grant receipts from the Department of Transportation for the new hangar resulted in an increase in capital contributions of \$133,150.

Capital grants consist of grants from the U S Department of Transportation and the Tennessee Department of Transportation.

The following is a summary of revenues:

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
Hangar rentals	\$ 87,331	\$ 71,544	\$ 15,787
Fuel flowage fees	2,743	3,429	(686)
Non hangar rentals	18,850	18,200	650
Intergovernmental Revenue	78,000	82,500	(4,500)
Capital Grants	<u>421,581</u>	<u>288,431</u>	<u>133,150</u>
 Total Revenues	 <u>\$ 608,505</u>	 <u>\$ 464,104</u>	 <u>\$ 144,401</u>

**Expenses**

The major changes in operating expenses for the year ended June 30, 2009 was a decrease of \$12,838 or 27% in maintenance expense due primarily to the decrease in the cost of maintenance to existing structures and improvements that was performed in 2008.

The following is a summary of operating expenses:

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
Advertising	\$ 1,063	\$ 314	\$ 749
Conferences	-	900	(900)
Insurance	1,670	3,910	(2,240)
Legal & Professional	13,016	11,145	1,871
Maintenance	34,403	47,241	(12,838)
Office	2,643	2,788	(145)
Telephone	1,277	1,410	(133)
Utilities	17,770	15,326	2,444
Other	1,379	1,214	165
Depreciation	<u>268,104</u>	<u>238,825</u>	<u>29,279</u>
 Total Expenses	 <u>\$ 341,325</u>	 <u>\$ 323,073</u>	 <u>\$ 18,252</u>

**DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY**  
**Management Discussion & Analysis**

**Cash Flows**

Cash increased \$97,578 from that of the prior year. This increase was primarily due mainly to a decrease in cash required by capital and related financing activities.

The following is a summary of the Airport Authority's cash flows:

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
Cash flows provided by (used In)			
Operating Activities	\$ 27,458	\$ 12,227	\$ 15,231
Cash flows provided by Used in)			
capital and related financing			
activities	(63,796)	(153,493)	89,697
Cash flows provided by Used in)			
noncapital and related financing			
activities	75,000	82,350	(7,350)
Change in Cash	<u>\$ 38,662</u>	<u>\$ (58,916)</u>	<u>\$ 97,578</u>

**Capital Assets**

The Airport Authority's investment in capital assets as of June 30, 2009 amounted to \$6,851,587 net of accumulated depreciation. Capital Assets consist of land, runways and taxiways, buildings and building improvements, and airport operating equipment. Investment in capital assets increased by \$487,089 for the year. Depreciation was recorded in the amount of \$268,104 for the year.

The following is a summary of investment in capital:

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
Non depreciable assets:			
Land	\$ 1,679,600	\$ 1,649,826	\$ 29,774
Construction in progress	-	360,192	(360,192)
Depreciable assets:			
Improvements	5,399,379	5,394,304	5,075
Terminal	323,602	323,602	-
Hangars	1,043,101	353,903	689,198
Equipment and other	<u>254,291</u>	<u>131,057</u>	<u>123,234</u>
Total Property & equipment	8,699,973	8,212,884	487,089
Accumulated depreciation	<u>1,848,386</u>	<u>1,581,052</u>	<u>267,334</u>
Property and equipment -net	<u>\$ 6,851,587</u>	<u>\$ 6,631,832</u>	<u>\$ 219,755</u>



**DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY**  
**Management Discussion & Analysis**

**Economic Factors and Future Outlook**

The Authority is in the process of completing the security fencing. The new ten bay hangar was occupied as of August 1, 2008 and is fully rented. The next major project discussed by the Authority is to survey and repair existing cracks to the runway and apron.

**DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY****Statement of Net Assets****June 30, 2009 and 2008****Assets**

	<b><u>2009</u></b>	<b><u>2008</u></b>
Current Assets:		
Cash-unrestricted	\$ 67,530	28,868
Accounts receivable:		
Rents receivable	10,927	2,645
Receivable from State Department of Transportation	70,729	221,924
Prepaid local match on grant	61,075	43,629
Total current assets	<u>210,261</u>	<u>297,066</u>
Capital Assets:		
Non depreciable assets	1,679,600	2,010,017
Depreciable plant in service	7,020,373	6,202,866
Accumulated depreciation	<u>(1,848,386)</u>	<u>(1,581,052)</u>
Total utility plant, net of depreciation	<u>6,851,587</u>	<u>6,631,831</u>
Other Assets:		
Utility deposits	<u>465</u>	<u>465</u>
Total other assets	<u>465</u>	<u>465</u>
Total assets	<u>\$ 7,062,313</u>	<u>6,929,362</u>

**Liabilities and Net Assets**

Current Liabilities:		
Accounts payable	\$ 1,460	6,766
Contracts and retainage payable	88,591	216,685
Deferred revenue and deposits	587	1,416
Bank line of credit	<u>-</u>	<u>-</u>
Total current liabilities	<u>90,638</u>	<u>224,867</u>
Net Assets:		
Invested in capital assets, net of related debt	6,762,995	6,415,145
Unrestricted	208,680	289,351
Total Net Assets	<u>\$ 6,971,675</u>	<u>6,704,495</u>

See accompanying notes to the financial statements.

# DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY

## Statements of Revenue, Expense and Changes in Net Assets

For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Charges for services:		
Hanger rentals	\$ 87,331	71,544
Fuel flowage fees	2,743	3,429
Other operating revenues	18,850	18,200
Total operating revenues	<u>108,924</u>	<u>93,173</u>
Operating Expenses		
Advertising	1,063	314
Conferences	-	900
Insurance	1,670	3,910
Legal and professional	13,016	11,145
Maintenance	34,403	47,241
Office	2,643	2,788
Telephone	1,277	1,410
Utilities	17,770	15,326
Other	1,379	1,214
Depreciation expense	268,104	238,825
Total operating expenses	<u>341,325</u>	<u>323,073</u>
Net operating revenue (loss)	<u>(232,401)</u>	<u>(229,900)</u>
Nonoperating Revenues (Expenses)		
Intergovernmental:		
Operation grant	13,000	10,000
Contributions - other governments	65,000	72,500
Interest expense	-	(1,368)
Total nonoperating revenues (expenses)	<u>78,000</u>	<u>81,132</u>
Income before contributions	(154,401)	(148,768)
Contributions:		
Capital grants	421,581	288,431
	<u>421,581</u>	<u>288,431</u>
Change in net assets	267,180	139,663
Net Assets, Beginning of Year	<u>6,704,495</u>	<u>6,564,832</u>
Net Assets, End of Year	<u>\$ 6,971,675</u>	<u>6,704,495</u>

See accompanying notes to the financial statements.

# DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY

## Statements of Cash Flows

For the Years Ended June 30, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities:		
Cash received from customers	\$ 105,984	90,360
Cash paid to suppliers of goods and services	(78,526)	(78,133)
Net cash provided (used) by operating activities	<u>27,458</u>	<u>12,227</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of property, plant and equipment	(618,485)	(142,985)
Net (payments) proceeds from Bank line of credit	-	(80,293)
Proceeds from capital grants	569,361	135,975
(Increase) decrease in prepaid local share	(17,446)	(64,821)
Proceeds from disposition of capital asset	2,774	-
Interest paid	-	(1,369)
Net cash provided (used) by capital and related financing activities	<u>(63,796)</u>	<u>(153,493)</u>
Cash Flows from Noncapital Financing Activities:		
Contributions for other governments	65,000	72,500
Proceeds from operating grant	10,000	10,000
Deposits	-	(150)
Net cash provided (used) by capital and related financing activities	<u>75,000</u>	<u>82,350</u>
Net increase (decrease) in cash	38,662	(58,916)
Cash and Restricted Cash, Beginning of Year	<u>28,868</u>	<u>87,784</u>
Cash and Restricted Cash, End of Year	<u>\$ 67,530</u>	<u>28,868</u>

### Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operations

Net Operating Revenue (Loss)	\$ (232,400)	(229,900)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Less gain on disposition of capital asset	(244)	268,103
Depreciation and amortization	268,103	268,103
(Increase) decrease in current assets:		
Rents receivable and prepaid	(2,695)	(2,812)
Increase (decrease) in current liabilities:		
Accounts payable	(5,306)	6,115
Net cash provided (used) by operating activities	<u>\$ 27,458</u>	<u>309,609</u>

### Supplemental Schedule of Non-Cash Capital Financing Activities

The acquisition of utility plant in the amounts of \$88,591 and \$216,685 are presented as contracts and retainage payable June 30, 2009 and 2008, respectively.

See accompanying notes to the financial statements.

# DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY

## Notes to Financial Statements

June 30, 2009 and 2008

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Dickson County Municipal Airport Authority of Dickson, Tennessee was incorporated pursuant to the provisions of Tennessee Code Annotated (TCA) 42-3-103. TCA 42-3-103 provides for the appointment of five Commissioners for a term of five years. One of the Commissioners shall be a member of the City of Dickson City Council and one member shall be a member of the Dickson County Commission with the remaining three Commissioners being residents of Dickson County, TN. Under criteria established by the Government Accounting Standards Board, the Authority is considered a component unit of Dickson County. Accordingly, the accompanying financial statements are included in the basic financial statements of the County.

#### Basis of Presentation

The Authority's operations are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred.

The Authority has adopted GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." Accordingly, the Authority applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions; issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The Authority, however, has elected not to apply FASB pronouncements issued subsequent to that date.

Current accounting and reporting standards for external financial reporting for all state and local governmental entities require a management's discussion and analysis section, a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows when applicable. It further requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for hanger rentals and fuel flowage charges. Operating expenses for the Authority include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

# DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY

## Notes to Financial Statements, Continued

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits, savings accounts and certificates of deposit with maturity dates of three months or less from date of purchase.

#### Capital Assets

Capital assets of the Authority are recorded at cost. Depreciation is computed over the estimated lives of the assets utilizing the straightline method. The estimated lives are as follows:

<u>Category</u>	<u>Estimated Life</u>
Land	N/A
Hangers	7 - 31.5 Years
Improvements	7 - 25 Years
Fencing	10 - 15 Years
Terminal	40 Years

#### Equity Classification

Equity is classified as net assets and displayed in three components, if applicable:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints, primarily for debt service and capital purchases.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

# DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY

## Notes to Financial Statements, Continued

### 2. CASH AND CASH EQUIVALENTS

#### Deposits

The Authority is authorized to invest funds in financial institutions and direct obligations of the Federal Government. During the years 2009 and 2008, the Authority used a demand checking account.

**Custodial credit risk** for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned or the Authority will not be able to recover collateral securities in the possession of an outside party. The Authority's policy requires that deposits be either (i) secured and collateralized by the institutions at 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance or (ii) that deposits be placed in financial institutions that participate in the bank collateral pool administered by the Treasurer of the State of Tennessee.

### 3. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2009 is as follows:

	Balance <u>6-30-08</u>	<u>Additions</u>	Retirements <u>Transfers</u>	Balance <u>6-30-09</u>
Non depreciable assets:				
Land	\$ 1,649,826	29,774	-	1,679,600
Construction in progress	<u>360,192</u>	<u>334,080</u>	<u>(694,272)</u>	<u>-</u>
	<u>2,010,018</u>	<u>363,854</u>	<u>(694,272)</u>	<u>1,679,600</u>
Depreciable assets:				
Improvements	5,394,304	-	5,075	5,399,379
Terminal	323,602	-	-	323,602
Hangers	353,903	694,273	(5,075)	1,043,101
Equipment and other	<u>131,056</u>	<u>126,535</u>	<u>(3,300)</u>	<u>254,291</u>
	<u>6,202,865</u>	<u>820,808</u>	<u>(3,300)</u>	<u>7,020,373</u>
Less accumulated depreciation:				
Improvements	1,298,251	212,775	4,794	1,515,820
Terminal	63,372	8,090	-	71,462
Hangers	130,865	31,689	(4,794)	157,760
Equipment and other	<u>88,564</u>	<u>15,550</u>	<u>(770)</u>	<u>103,344</u>
	<u>1,581,052</u>	<u>268,104</u>	<u>(770)</u>	<u>1,848,386</u>
Depreciable capital assets- net	<u>4,621,813</u>			<u>5,171,987</u>
Total capital assets, net	\$ <u>6,631,831</u>			<u>6,851,587</u>

Depreciation expense was \$268,104 and \$238,825 for the years ended June 30, 2009 and 2008, respectively.

# DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY

## Notes to Financial Statements, Continued

### 4. LINE OF CREDIT

The Authority has a \$925,000 line of credit at a local bank. During the fiscal year 2008 credit line debt of \$80,293 was repaid. The line of credit was inactive at June 30, 2009 and 2008.

### 5. COMMITMENTS AND CONTINGENCIES

#### Litigation

The Authority is not involved in any litigation which would have a material effect on the financial statements of the District.

### 6. RISK MANAGEMENT

The Authority is exposed to various risks to general liability and property and casualty losses. The Authority's policy is to carry commercial insurance for these and other risks of loss. Settled claims for losses have not exceeded commercial insurance coverage in any of the past three years.

### 7. LEASE AGREEMENT - FIXED BASE OPERATOR

The Lease Agreement provides for lease of the Airport and all related equipment to the Fixed Base Operator (FBO) for the period commencing March 1, 2003 and ending February 28, 2008 for the purpose of operation of a public airport. The FBO agreed to extend the Agreement for an additional 5 year period beginning March 1, 2008 as provided in the Agreement. The FBO is granted the right to sell petroleum products and make reasonable charges for tie-down, and other services customarily made in the operation of an airport; however, the Authority retains the right to assess and receive rents from the hanger facilities. Further, FBO shall pay to the Authority the sum of .06 cents per gallon on all fuel sold or distributed. In addition, commencing in March 1, 2008, the Authority shall receive rent from the FBO of 3% of the gross revenue, excluding fuel sales, from the FBO's use and operation of the airport, to the extent such gross revenue exceeds \$100,000.



**DICKSON COUNTY MUNICIPAL AIRPORT AUTHORITY**

**Schedule of Federal and State Financial Assistance**

**For the Year Ended June 30, 2009**

CFDA No.	State Grant #	Grantor Agency	(Receivable) Deferred June 30, 2008	Adjustments	Receipts	Disbursements	(Receivable) Deferred June 30, 2009
<b>FEDERAL AWARDS:</b>							
20.106	Z-07-03-7563-00	134-04 U.S. Department of Transportation	\$ (208,294)	-	394,330	(190,536)	(4,500)
20.106	Z-08-20-0637-00	736-04 U.S. Department of Transportation	(3,630)	-	46,816	(43,186)	-
20.106	Z-07-03-7607-00	737-04 U.S. Department of Transportation	-	-	112,364	(165,593)	(53,229)
20.106	Z-08-20-0833-00	738-04 U.S. Department of Transportation	-	-	6,377	(6,377)	-
20.106	Z-09-21-3948-00	439-04 U.S. Department of Transportation	-	-	14,939	(14,939)	-
20.106	22-555-0729-04	729-04 U.S. Department of Transportation	-	-	950	(950)	-
			<u>\$ (211,924)</u>	<u>-</u>	<u>575,776</u>	<u>(421,581)</u>	<u>(57,729)</u>
<b>STATE AWARDS:</b>							
N/A	Z-07-03-5584-00	Tennessee Department of Transport	\$ (10,000)	-	10,000	(13,000)	(13,000)
			<u>\$ (10,000)</u>	<u>-</u>	<u>10,000</u>	<u>(13,000)</u>	<u>(13,000)</u>

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners  
Dickson County Municipal Airport Authority

We have audited the financial statements of Dickson County Municipal Airport Authority as of and for the year ended June 30, 2008, and have issued our report thereon dated October 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Dickson County Municipal Airport Authority's internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will be prevented or detected by the Authority's internal control.

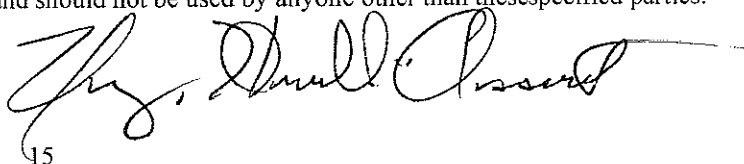
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dickson County Municipal Airport Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the State Comptroller's Office, management, state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



October 2, 2009